

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2143

LISTED OCTOBER 21st, 1963
5,000,000 shares without par value
Ticker abbreviation "NMC"
Dial ticker number 219
Post section 9.6

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

NUMAC OIL & GAS LTD.

Incorporated under The Companies Act (Alberta) by

Certificate of Incorporation dated March 15, 1963.

NOV 11 1963

1. Address of the Company's Head Office and of any other offices:

11055-107th Street, Edmonton, Alberta.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President and Managing Director	William Stewart McGregor	7915 Saskatchewan Drive, Edmonton, Alberta.	Executive
Vice-President	Gunnar Haugrud	6516-127th Street, Edmonton, Alberta.	Geologist
Vice-President and Secretary	Colin Robert Stewart Montgomery	9039-146th Street, Edmonton, Alberta.	Landman
Treasurer	Elmo Claude Kellam	11155-73rd Avenue, Edmonton, Alberta.	Executive
Assistant Secretary	Alex Norman MacIver	14612-88th Avenue, Edmonton, Alberta.	Barrister

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Ralph Austin Bard, Jr.	40 Brinker Road, Barrington, Illinois, U.S.A.	Executive
Lawrence Land Bell	30 Mason Boulevard, Toronto, Ontario.	Executive
Hadley Case	Deer Park, Greenwich, Connecticut, U.S.A.	Executive
Alex Norman MacIver	14612-88th Avenue, Edmonton, Alberta.	Barrister
William Stewart McGregor	7915 Saskatchewan Drive, Edmonton, Alberta.	Executive
Marshal Stearns	91 Glen Edyth Drive, Toronto, Ontario.	Investment Dealer

4. Names and addresses of all transfer agents:

The Royal Trust Company, 10039 Jasper Avenue, Edmonton, Alberta; and branch transfer agency offices at 105 St. James Street West, Montreal, P.Q.; 80-82 Wellington St. W., Toronto 1, Ontario; 436 Main Street, Winnipeg, Manitoba; and 626 West Pender Street, Vancouver, B.C.

5. Particulars of any fee charged upon transfer other than customary government taxes:

50¢ on each new share purchase warrant issued, effective immediately; and 50¢ on each new share certificate issued effective January 1, 1964; no charge for transfers prior to January 1, 1964.

6. Names and addresses of all registrars:

The Royal Trust Company, 10039 Jasper Avenue, Edmonton, Alberta; and branch offices at 105 St. James Street West, Montreal, P.Q.; 80-82 Wellington St. W., Toronto 1, Ontario; 436 Main Street, Winnipeg, Manitoba; and 626 West Pender Street, Vancouver, B.C.

7. Amount of authorized capital: 5,000,000 shares without nominal or par value.

8. Number of shares and par value: 5,000,000 shares without nominal or par value.

9. Full details of all shares issued in payment for properties or for any other assets other than cash: None.

10. Full details of all shares sold for cash.	<table><tr><th>DATE</th><th>NUMBER OF SHARES</th><th>PRICE PER SHARE</th><th>AMOUNT REALIZED BY COMPANY</th></tr><tr><td>March 18, 1963</td><td>200,000</td><td>.125</td><td>\$ 25,000</td></tr><tr><td>April 24, 1963</td><td>500,000</td><td>1.00</td><td>500,000</td></tr><tr><td>June 6, 1963</td><td>165,000</td><td>1.60</td><td>264,000</td></tr><tr><td>July 10, 1963</td><td>2,335,000</td><td>1.75</td><td>3,754,680</td></tr><tr><td>Total</td><td>3,200,000</td><td></td><td>\$4,543,680</td></tr></table>	DATE	NUMBER OF SHARES	PRICE PER SHARE	AMOUNT REALIZED BY COMPANY	March 18, 1963	200,000	.125	\$ 25,000	April 24, 1963	500,000	1.00	500,000	June 6, 1963	165,000	1.60	264,000	July 10, 1963	2,335,000	1.75	3,754,680	Total	3,200,000		\$4,543,680
DATE	NUMBER OF SHARES	PRICE PER SHARE	AMOUNT REALIZED BY COMPANY																						
March 18, 1963	200,000	.125	\$ 25,000																						
April 24, 1963	500,000	1.00	500,000																						
June 6, 1963	165,000	1.60	264,000																						
July 10, 1963	2,335,000	1.75	3,754,680																						
Total	3,200,000		\$4,543,680																						
11. Total number of shares issued.	3,200,000																								
12. Number of shares now in treasury or otherwise unissued.	1,800,000 shares of which 552,000 shares have been reserved for issue pursuant to outstanding share purchase warrants exercisable on or before June 30, 1968.																								
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None.																								
14. Date of last annual meeting.	None yet held.																								
15. Date of last report to shareholders.	None yet issued.																								
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	<p>Under and pursuant to agreement dated June 24, 1963, James Richardson & Sons purchased:</p> <p>(a) 2,335,000 shares with accompanying share purchase warrants entitling the holders thereof to purchase 467,000 shares for a total purchase price of \$3,759,350;</p> <p>(b) additional share purchase warrants entitling the holders thereof to purchase 85,000 shares for a total purchase price of \$850.</p> <p>Each share purchase warrant entitles the holder thereof to purchase at any time up to the close of business on June 30, 1968 one share without nominal or par value in the capital of the Company at a price, payable in cash of \$2.25 per share if purchased up to the close of business on June 30, 1965, and thereafter at a price of \$2.75 per share up to the close of business on June 30, 1966, and thereafter at a price of \$3.25 per share up to the close of business on June 30, 1967, and thereafter at a price of \$4.00 per share up to the close of business on June 30, 1968. The share purchase warrants will be void after June 30, 1968. No share purchase warrants have been exercised to date.</p>																								
17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	James Richardson & Sons, 173 Portage Avenue East, Winnipeg 2, Manitoba.																								
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No cash has been paid or is intended to be paid and no shares have been issued or are intended to be issued to any promoter for services as such. William S. McGregor, organizer of the Company, together with the members of his family, have purchased from the Company 165,000 shares for \$20,625 cash. Mr. McGregor has granted options to three key employees of the Company to purchase 36,000 of these shares at the price of 12½¢ per share, said options being exercisable over a five year period. Mr. McGregor has also purchased from the Company 100,000 shares at the price of \$1.00 per share and 125,000 shares with accompanying share purchase warrants at the public offering price of \$1.75 per share. Reference is made to item 19 for particulars of the escrow of the shares owned by Mr. McGregor.																								

19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	<p>The 200,000 shares issued at the price of 12½¢ per share have been deposited in escrow with The Royal Trust Company at its principal office in Edmonton, Alberta and are to be released to the depositories thereof respectively pro rata to the number of shares deposited by each of them only with the written consent of the Ontario Securities Commission and the Quebec Securities Commission and while remaining in escrow may be sold, transferred or otherwise dealt with only with the written consent of the Ontario Securities Commission and the Quebec Securities Commission.</p> <p>The 100,000 shares purchased by each of William S. McGregor and Taranco Holdings Limited at the price of \$1.00 per share have been deposited in escrow with The Royal Trust Company at its principal office in Edmonton, Alberta and are to be held in escrow and released to the depositories thereof on June 30, 1964, or on such earlier date as may be approved in writing by the Ontario Securities Commission and the Quebec Securities Commission.</p> <p>In June 1963 the Company received from Ralph Austin Bard, Jr., a director of the Company, and Cangro Resources Ltd. and Felmont Petroleum Corporation, shareholders of the Company, letters to the effect that the 100,000 shares purchased by each of them from the Company at the price of \$1.00 per share were acquired for investment and without any present intention of selling or otherwise disposing of the same.</p>												
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>William Stewart McGregor, 7915 Saskatchewan Drive, Edmonton, Alberta.</p> <p>Taranco Holdings Limited, 4 King Street West, Toronto 1, Ontario.</p> <p>(Note—For shareholdings, see Item 19.)</p>												
21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <th>Registered Shareholders</th><th>Number of Shares</th></tr> <tr> <td>James Richardson & Sons, 173 Portage Avenue East, Winnipeg 2, Manitoba.</td><td>1,194,435*</td></tr> <tr> <td>William S. McGregor, 7915 Saskatchewan Drive Edmonton, Alberta.</td><td>299,000 (of which 229,000 escrowed)</td></tr> <tr> <td>Morley & Co., c/o Bank of Montreal 140-8th Avenue West, Calgary, Alberta.</td><td>225,500</td></tr> <tr> <td>Felmont Petroleum Corporation, 285 Madison Avenue, New York 17, N.Y., U.S.A.</td><td>225,000</td></tr> <tr> <td>W. C. Pitfield & Company Limited, 235 St. James Street West, Montreal, P.Q.</td><td>112,100*</td></tr> </table> <p>* Not beneficial owners.</p>	Registered Shareholders	Number of Shares	James Richardson & Sons, 173 Portage Avenue East, Winnipeg 2, Manitoba.	1,194,435*	William S. McGregor, 7915 Saskatchewan Drive Edmonton, Alberta.	299,000 (of which 229,000 escrowed)	Morley & Co., c/o Bank of Montreal 140-8th Avenue West, Calgary, Alberta.	225,500	Felmont Petroleum Corporation, 285 Madison Avenue, New York 17, N.Y., U.S.A.	225,000	W. C. Pitfield & Company Limited, 235 St. James Street West, Montreal, P.Q.	112,100*
Registered Shareholders	Number of Shares												
James Richardson & Sons, 173 Portage Avenue East, Winnipeg 2, Manitoba.	1,194,435*												
William S. McGregor, 7915 Saskatchewan Drive Edmonton, Alberta.	299,000 (of which 229,000 escrowed)												
Morley & Co., c/o Bank of Montreal 140-8th Avenue West, Calgary, Alberta.	225,500												
Felmont Petroleum Corporation, 285 Madison Avenue, New York 17, N.Y., U.S.A.	225,000												
W. C. Pitfield & Company Limited, 235 St. James Street West, Montreal, P.Q.	112,100*												
22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	<p>William Stewart McGregor, Ralph Austin Bard, Jr., directors of the Company, and Cangro Resources Ltd., 706-7th Avenue South West, Calgary, Alberta, Felmont Petroleum Corporation, 285 Madison Avenue, New York, N.Y., and Taranco Holdings Limited, 4 King Street West, Toronto 1, Ontario, if they act together, may by reason of beneficial ownership of shares of the Company, be in the position to elect or cause to be elected a majority of the directors of the Company.</p>												
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	<p>2,335,000 shares with accompanying share purchase warrants have been authorized for sale through registered brokers in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia under and pursuant to a prospectus of the Company dated June 25, 1963.</p>												
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No												
25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Not applicable.												
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>Numac Oil & Gas Ltd. owns 1,600 shares of Pine Oil & Gas Ltd. which it purchased for \$150,000. The present market value is \$150,000.</p>												

<p>27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:</p> <p>(a) Properties owned where titles vested in Company.</p> <p>(b) Properties leased.</p> <p>(c) Properties otherwise held.</p>	<p>See Schedule "A" on Pages 7, 8 and 9.</p>
<p>28. Full particulars of any royalties or other charges payable upon production from each individual property.</p>	<p>See Schedule "A" on Pages 7, 8 and 9.</p>
<p>29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.</p>	<p>None</p>
<p>30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>The Company is not aware of any person or Company who has received or is to receive from any vendor a greater than 5% interest in the consideration received or to be received by any vendor referred to in Schedule "A" on Pages 7, 8 and 9.</p>
<p>31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.</p>	<p>None.</p>
<p>32. Describe plant and equipment on property or properties.</p>	<p>None.</p>
<p>33. Describe all development accomplished and planned.</p>	<p>The Company intends to participate in all phases of the exploration and development of oil and gas fields, primarily in Western Canada.</p> <p>A portion of the funds raised by the Company by the underwriting referred to in item 16 will be employed in a program of exploratory drilling. The exploratory program will involve the acquisition of interests in petroleum and natural gas rights in acreage which the Company's management will recommend as being most favourable for the discovery of commercial oil and gas fields. The Company may participate in these interests by methods including any or all of the following:</p> <ol style="list-style-type: none"> (1) By acquiring Crown or freehold acreage; (2) By "farmouts" from other companies or individuals of prospective oil or gas properties; (3) By participating with other companies in acquiring Crown or freehold acreage or in the exploration of "farmout" acreage. <p>In addition to exploratory drilling and related activities the Company plans to acquire oil and gas reserves and production income by the acquisition of producing properties and proven and semi-proven reserves offered at Crown auctions or otherwise. Since acquiring interests in favourably located areas, arranging to take "farmouts", and acquiring proven and semi-proven oil properties are matters of opportunity, it is not feasible at this time to estimate the amount of money which will be directed for one purpose or another or to define the areas in which the principal efforts will be made.</p> <p>The Company may also participate in oil and/or gas transmission lines which could be favourable to the development of the Company's properties, however, the management has at the date hereof no plans with respect to the same.</p> <p>The net proceeds from the sale of the Shares referred to in item 16 will be used in the carrying out of the above program over a period estimated from four to seven years and for general administrative expenses. Pending the use of the net proceeds in this way, the unexpended monies will be invested in readily saleable securities or held on deposit with the Company's bankers, as the occasion may require.</p>

34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	Report of McDaniel Consultants Limited dated June 15, 1963 attached to and forming part of the prospectus of the Company dated June 25, 1963.
35. Full particulars of production to date.	None
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	No
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Jackson, Arlette, MacIver & Hill, 302 Imperial Bank Building, Edmonton, Alberta.
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	No
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	No
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<p>The principal business in which each director or officer of the Company has been engaged during the past five years, the position held and name of the company or firm, are as follows:</p> <p><i>RALPH AUSTIN BARD, Jr.</i>, Director, is and has been an Investment Manager with offices at 10 South La Salle Street, Chicago, Illinois and President of Chicago-Canadian Holdings Ltd., Toronto, Ontario.</p> <p><i>LAWRENCE LAND BELL</i>, Director, was recently appointed Assistant General Manager of James Richardson & Sons, 2 King Street East, Toronto, Ontario. Prior to such appointment he was General Supervisor of the Bond Department of the said firm.</p> <p><i>HADLEY CASE</i>, Director, is and has been President of Felmont Petroleum Corporation and of Case Pomeroy & Company, Inc., both of 285 Madison Avenue, New York 17, N.Y.</p> <p><i>GUNNAR HAUGRUD</i>, Vice-President, was a Vice-President and Geologist with Consolidated Mic Mac Oils Ltd. until April 5, 1963.</p> <p><i>ELMO CLAUDE KELLAM</i>, Treasurer, was Treasurer of Consolidated Mic Mac Oils Ltd. until April 5, 1963.</p> <p><i>ALEX NORMAN MacIVER</i>, Assistant Secretary and a Director, is and has been a partner of the firm of Jackson, Arlette, MacIver and Hill, Barristers and Solicitors, Edmonton, Alberta.</p> <p><i>WILLIAM STEWART McGREGOR</i>, President and Managing Director, was President and Managing Director of Consolidated Mic Mac Oils Ltd. from its inception until April 5, 1963. Mr. McGregor has been actively engaged in the oil and natural gas industry in Western Canada for the past twenty years. He has agreed to serve the Company in a management capacity for at least five years.</p> <p><i>COLIN ROBERT STEWART MONTGOMERY</i>, Vice-President and Secretary, was a Vice-President and Landman with Consolidated Mic Mac Oils Ltd. until April 5, 1963. Mr. Montgomery has had fifteen years experience in the acquisition and disposition of and other dealings with oil and natural gas interests.</p> <p><i>MARSHAL STEARNS</i>, Director, is and has been a partner of the firm of T. A. Richardson & Co., members of The Toronto Stock Exchange, Toronto, Ontario and Vice-President of Taranco Holdings Limited.</p>

40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	None
41. Any other material facts not disclosed in the foregoing.	None

STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of August 7, 1963

FREE STOCK	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	2,431,900	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	368,100	
Total free stock		2,800,000

ESCROWED OR POOLED STOCK

(c) Held in escrow or pool as set out in Item 19 of this application	400,000
Total issued capital	3,200,000

RECORD OF SHAREHOLDERS

Number of registered shareholders holding shares in class (a) above	2,254
Number of registered shareholders holding shares in class (b) above	6
Number of registered shareholders holding shares in class (c) above	4

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

as of August 15, 1963

Number	Shares
572 Holders of 1 — 100 shares	54,685
1,515 " " 101 — 1000 "	739,910
85 " " 1001 — 2000 "	162,750
31 " " 2001 — 3000 "	82,600
16 " " 3001 — 4000 "	59,700
19 " " 4001 — 5000 "	93,400
26 " " 5001 — up "	2,006,955
2,264 Stockholders	Total Shares
	3,200,000

Dated at Edmonton, Alberta the 30th day of September 1963.

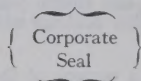
NUMAC OIL & GAS LTD.

"W. S. McGREGOR"

President

"C. R. S. MONTGOMERY"

Secretary



SCHEDULE OF PROPERTIES

Acreage held by Numac Oil & Gas Ltd. as of June 15, 1963

LOCATION	NATURE OF INTEREST	DATE OF LEASE	TERM	APPROXIMATE ACREAGE		GRANTOR, LESSOR OR ASSIGNOR	DATE AND METHOD OF ACQUISITION AND COST		ANNUAL RENTAL	COMPANY'S WORKING INTEREST	ROYALTY PAYABLE
				GROSS	NET						
ALBERTA											
SWAN HILLS NORTH											
Twp. 69, Rge. 10, W5M	Crown Lease	Nov. 2, 1955	21 years	1,280	1,280	Shell Oil Company of Canada, Limited	April 30, 1963; by Letter Agreement dated April 26, 1963 the Company must commence a Swan Hills test well (4,850' subsea) on or before Sept. 1, 1963. Upon completion or abandonment, the Company will be entitled to 100% interest, subject to a sliding scale royalty based on 1/100th of the gross monthly production expressed as a percentage with a minimum of 5% and maximum of 15% on oil, and a gross royalty on natural gas of 15% or 2½¢ per Mcf., whichever is the lesser. Shell Oil Company of Canada, Limited has right to convert override to 50% working interest on all acreage except half section on which test well located.		\$ 1,280	100%	Crown, plus override to Shell Oil Co. of Canada, Limited
N ½ secs. 3, 4 & 9;	#103663										
S ½ sec. 10											
PEMBINA											
Twp. 50, Rge. 9, W5M	Crown Lease	April 30, 1963	10 Years	640	640	Crown	April 30, 1963; purchased at a cost of \$8,000.		\$ 640	100%	Crown
E ½ sec. 9, W½ sec. 10	#994										
Twp. 50, Rge. 9, W5M	Crown Lease	April 30, 1963	10 Years	320	320	Crown	April 30, 1963; purchased at cost of \$33,500.		\$ 320	100%	Crown
S. ½ sec. 15	#995										
SWAN HILLS EAST											
Twp. 68, Rge. 9, W5M	Crown Lease	April 30, 1963	10 Years	320	160	Crown	April 30, 1963; purchased at cost of \$71,502.		\$ 320	50%	Crown
E ½ sec. 4	#1026										
EDSON											
Twp. 54, Rge. 18, W5M	Drilling	Dec. 12, 1962	6 Months**	7,680	352	Crestwood Oil & Gas Ltd.	May 17, 1963; purchased at cost of \$18,830.		\$ 3,840 (Renewal Fee)	20%	Crown
All sec. 4 to 6 incl.	Reservation #1072										
Twp. 54, Rge. 19, W5M											
All sec. 1 to 4 incl.											
All sec. 10, 11, 14, 15& 22											
LAC LA BICHE											
Twp. 71, Rge. 13, W4M	P. & N.G. Reservation	Oct. 9, 1962	4 Months**	80,000	40,000	Crestwood Oil & Gas Ltd.	May 23, 1963; purchased at a cost of \$160.		\$16,000* (Renewal Fee)	50%	Crown
All sec. 7 to 35 incl.	#64										
Twp. 70, Rge. 14, W4M											
All sec. 25 to 36 incl.											
Twp. 71, Rge. 14, W4M											
All sec. 1 to 36 incl.											
Twp. 70, Rge. 15, W4M											
All sec. 25 to 36 incl.											
Twp. 71, Rge. 15, W4M											
All sec. 1 to 36 incl.											
Twp. 70, Rge. 13, W4M											
All sec. 1 to 21 incl., S½ & NW ¼ sec. 22, S½ & NE ¼ sec. 23	P. & N.G. Reservation	Oct. 18, 1962	4 Months**	26,560	13,280	Crestwood Oil & Gas Ltd.	May 23, 1963; purchased at cost of \$7,900.		\$ 5,312* (Renewal Fee)	50%	Crown
All sec. 24 to 36 incl.	#72										
Twp. 71, Rge. 13, W4M											
All sec. 1 to 6											
Twp. 69, Rge. 12, W5M	P. & N.G. Reservation	Feb. 25, 1963	4 Months**	59,520	29,760	Crestwood Oil & Gas Ltd.	May 23, 1963; purchased at cost of \$160.		\$11,904 (Renewal Fee)	50%	Crown
All sec. 19	#144										
All sec. 23 to 36 incl.											
Twp. 70, Rge. 12, W4M											
All sec. 1 to 36 incl.											
Twp. 71, Rge. 12, W4M											
All sec. 1 to 36 incl.											

SCHEDULE OF PROPERTIES (CONTINUED)

LOCATION	NATURE OF INTEREST	DATE OF LEASE	TERM	APPROXIMATE ACREAGE GROSS	NET	GRANTOR, LESSOR OR ASSIGNOR	DATE AND METHOD OF ACQUISITION AND COST	ANNUAL RENTAL	COMPANY'S WORKING INTEREST	ROYALTY PAYABLE
LAC LA BICHE (Continued)										
Twp. 69, Rge. 13, W4M All sec. 23 to 26 incl. All sec. 35 & 36	P. & N.G. Permit #105	April 5, 1963	6 Months***	16,160	5,387	Colorado Oil & Gas Ltd.	May 2, 1963; purchased at cost of \$3,570.	\$ 8,080 (Renewal Fee)	33 1/3 %	Crown
HAMILTON LAKE										
Twp. 36, Rge. 9, W4M All sec. 18, 19 & 30										
Twp. 36, Rge. 10, W4M All sec. 10, 11, 12 & 14 W 1/2 sec. 15										
All sec. 16, 18, 20, 22, 23, 24 & 25, NE 1/4 sec. 26										
All sec. 28, 29, 30, 32, 34 & 36										
Twp. 36, Rge. 11, W4M All sec. 24 & 36										
Twp. 37, Rge. 10, W4M All sec. 10; N 1/2 sec. 12										
Twp. 37, Rge. 11, W4M All sec. 12										
GRANDE PRAIRIE										
Twp. 69, Rge. 8, W6M NE 1/4 sec. 7, N 1/2 sec. 8 NW 1/4 sec. 9, NE 1/4 sec. 10 N 1/2 sec. 11, NW 1/4 sec. 12 W 1/2 sec. 13, All sec. 14, E 1/2 sec. 15, W 1/2 sec. 16, All sec. 17, E 1/2 sec. 18, E 1/2 sec. 19, All sec. 20, W 1/2 sec. 21, E 1/2 sec. 22, All sec. 23, W 1/2 sec. 24, W 1/2 sec. 25	Crown Leases #108955, #108956 & #108959	July 4, 1957	21 Years	12,479	12,479	Consolidated Mic Mac Oils Ltd.	May 10, 1963; purchased at cost of \$12,479.	\$12,479	100%	Crown
All sec. 26, E 1/2 sec. 27, W 1/2 sec. 28, All sec. 29, E 1/2 sec. 30, SW 1/4 sec. 36, unsurveyed SE 1/4 sec. 34 & S 1/2 sec. 35										
Twp. 69, Rge. 9, W6M NW 1/4 sec. 1, N 1/2 sec. 2 & 3, NE 1/4 sec. 4, E 1/2 sec. 9, All sec. 10 & 11, W 1/2 sec. 12										
CLAIRMONT										
Twp. 72, Rge. 4, W6M All sec. 7, 8 & 9 W 1/2 sec. 10, All sec. 15 to 18 incl. E 1/2 sec. 19, All sec. 20, 21, 22, 27, 28 & 29, E 1/2 sec. 30 & 31, All sec. 32, 33 & 34	P. & N.G. Reservation #4417	Mar. 16, 1962	4 Mos.†	11,520	11,520	Consolidated Mic Mac Oils Ltd.	May 9, 1963; purchased at cost of \$2,880.	\$ 3,456 (Renewal Fee)	100%	Crown
RED EARTH CREEK										
Twp. 87, Rge. 7, W5M All sec. 5, 8, 17, 20, 28 & 33	Drilling Reservation #1124	April 18, 1963	6 Mos.**	6,400	6,400	Crown	April 18, 1963; purchased at cost of \$37,600.	\$ 3,200 (Renewal Fee)	100%	Crown
Twp. 88, Rge. 7, W5M All sec. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100										

RED EARTH CREEK WEST	Drilling Reservation #11141	June 11, 1963	6 Mos.**	5,920	5,920	Crown	June 11, 1963; purchased at a cost of \$181,250.	100%	Crown
Twp. 87, Rge. 8, W5M All sec. 22, 26, 27, 32 & 35 S.E. 1/4 sec. 34									
Twp. 88, Rge. 8, W5 All sec. 2, 5, 11 & 12									
S.E. SASKATCHEWAN HASTINGS	Freehold	From Nov. 3, 1961 to May 1, 1963	1 to 10 Years	1,440	720	Francana Oil & Gas Ltd.	May 9, 1963; the Company and partner, Colorado Oil and Gas Ltd. must drill a Mississippi test well on lands to earn a 100% working interest, subject to a gross overriding royalty of 10% payable to Francana Oil & Gas Ltd.	50%	12 1/2 % (plus override royalty)
Twp. 4, Rge. 1, W2M W 1/2 sec. 26, E 1/2 sec. 34 W 1/2 sec. 35									
Twp. 5, Rge. 1, W2M E 1/2 & SW 1/4 sec. 3									

*No renewal or rental fees first year. Must carry out work obligations.
**Extendable to maximum of 3 years.

***Extendable to a maximum of 1 1/2 years.
†Extendable to 3 years or more.

ADDITIONAL PROPERTIES ACQUIRED SINCE JUNE 15, 1963

LOCATION	NATURE OF INTEREST	DATE OF ISSUE	TERM	APPROXIMATE ACREAGE		GRANTOR, LESSOR OR ASSIGNOR	DATE AND METHOD OF ACQUISITION AND COST	ANNUAL RENTAL	COMPANY'S WORKING INTEREST	ROYALTY PAYABLE
				GROSS	NET					
PARKMAN (21) S.E. SASKATCHEWAN SE 1/4 21-8-33-W1	Federal Crown Lease #622	Sept. 13, 1963	10 Yrs.	160	80	Crown	Aug. 1, 1963; purchased at cost of \$1,018.00	\$ 160	50%	Crown
RED EARTH (24) All sec. 24-87-8-W5	Crown Lease #1510	July 30, 1963	10 Yrs.	640	640	Crown	July 23, 1963; purchased at cost of \$33,000.00	\$ 640	100%	Crown
RED EARTH (26) N 1/2 23, All sec. 26 & S 1/2 35 -88-8-W5	Crown Lease #1512	July 30, 1963	10 Yrs.	1,280	1,280	Crown	July 23, 1963; purchased at cost of \$41,000.00	\$ 1,280	100%	Crown
RED EARTH (1017) Twp. 88-Rge. 8-W5, N 1/2 7, S 1/2 18 Twp. 87-Rge. 9-W5, All sec's. 13, 24, 25, 26 & 34	Drilling Res. #1017	May 18, 1962	6 months ex- tendable to max. of 3 yrs.	6,400	6,400	Dome, Pet. Limited et al	August 8, 1963 by Agreement dated August 8, 1963 the Co. must commence a Granite Wash test on or before Nov. 1, 1963. Upon completion or abandonment the Com- pany will be entitled to an undivided 100% interest, subject to a gross overriding royalty of 10% to the Dome group.	\$ 3,200 (Renewal Fee)	100%	Crown
Twp. 88-Rge. 9-W5, All sec. 3, S 1/2 10, N 1/2's 11 & 12, S 1/2 13, All 14										
McMURRAY TAR SANDS	Bituminous Sands Lease	December 18, 1958	21 Yrs.	49,969	2,499	Palliser Petroleum Limited	June 21, 1963; purchased at cost of \$22,486	Under option to Canada Cities Service-Imperial- Richfield group which pays annual rental.	5%	Crown
Twp. 96-Rge. 11-W4 All sec. 7 to 10, incl.; All sec's. 15 to 22, incl.; All 27 to 34, Inc.; & portions of sec's. 11, 14 23, 26 & 35 lying west of the left bank of the Athabasca River.										
*Un. & Surveyed Twp. 97-Rge. 11-W4 All 3 to 6 incl., Portion of sec. 2 lying west of the left bank of the Athabasca River.										
Un. Twp. 96-Rge. 12-W4 All 7 to 36, incl.										
Un. Twp. 97-Rge. 12-W4 All 1 to 6, incl.										
Un. Twp. 96-Rge. 13-W4 All 11 to 14; incl.; All 23 to 27, incl.; S 1/2 34; all 35 & 36										
Un. Twp. 97-Rge. 13-W4 All 1 & 2 *Unsurveyed.										

All Statutory road allowances and what would be statu-
tory road allowances if the lands were surveyed under
The Alberta Surveys Act, lying within and immediately
to the south and west of the above described general
area.

FINANCIAL STATEMENTS

NUMAC OIL & GAS LTD.

Balance Sheet and Pro Forma Balance Sheet
As at May 15, 1963

The pro forma balance sheet gives effect to the following:

- (a) The issue and sale of 165,00 Shares of the capital of the Company for a cash consideration of \$264,000;
- (b) The issue and sale of 2,335,000 Shares of the capital of the Company, together with warrants entitling the holders thereof to purchase an additional 467,000 Shares, for a cash consideration of \$3,759,350 and the sale of warrants entitling the holders thereof to purchase an additional 85,000 shares for \$850;
- (c) The purchase of interests in petroleum and natural gas rights for \$208,300 cash together with drill deposits thereon for \$3,750 cash; and
- (d) The incurring of financing costs of \$25,000 incidental to the issue and sale of Shares.

ASSETS

CURRENT ASSETS:

Cash	\$ 345,306	\$4,132,456
Accounts receivable	357	357
	<u>345,663</u>	<u>4,132,813</u>
Recoverable deposits	5,044	8,794
Interest in petroleum and natural gas rights for cash at cost	169,531	377,831
Deferred development and administration expenses (Note 1)	16,089	16,089
Office furniture and fixtures at cost	3,300	3,300
Estimated incorporation expenses and financing costs incidental to the issue and sale of Shares	5,000	30,000
	<u>\$ 544,627</u>	<u>\$4,568,827</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 14,627	\$ 14,627
Estimated incorporation expenses payable	5,000	5,000
	<u>19,627</u>	<u>19,627</u>

SHAREHOLDERS' EQUITY:

Share capital —		
Authorized — 5,000,00 Shares without nominal or par value		
Issued as fully paid for cash —		
700,000 Shares	525,000	525,000
165,000 Shares		264,000
2,335,000 Shares and Warrants (Note 2)		3,760,200
	<u>\$ 544,627</u>	<u>\$4,568,827</u>

Approved on behalf of the Board:

“W. S. MCGREGOR”, Director.

“A. N. MACIVER”, Director.

NOTE 1: Drilling costs and seismic survey \$2,750, lease rentals \$2,720, wages \$6,517, office rent and expenses \$2,851, fees and subscriptions \$1,251.

NOTE 2: 552,000 Shares are reserved for issue upon the exercise of Share Purchase Warrants issued under a Warrant Indenture dated June 15, 1963 between the Company and The Royal Trust Company, as Trustee. The Warrants entitle the holders thereof to purchase Shares without nominal or par value of the Company, as presently constituted, at the price of \$2.25 per share if purchased up to the close of business on June 30, 1965, and thereafter at \$2.75 per share if purchased up to the close of business on June 30, 1966, and thereafter at \$3.25 per share if purchased up to the close of business on June 30, 1967, and thereafter at \$4.00 per share if purchased up to the close of business on June 30, 1968.

AUDITOR'S REPORT

To the Directors of
NUMAC OIL & GAS LTD.

We have examined the accompanying balance sheet and pro forma balance sheet of Numac Oil & Gas Ltd. as at May 15, 1963 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that in our opinion:

- (i) the accompanying balance sheet presents fairly the financial position of the Company as at May 15, 1963; and
- (ii) the accompanying pro forma balance sheet together with the notes thereto presents fairly the financial position of the Company as at May 15, 1963 after giving effect as of that date to the changes set forth therein.

Edmonton, Alberta.
June 25, 1963 .

“WINSPEAR, HAMILTON, ANDERSON & COMPANY”
Chartered Accountants.

PETROLEUM ENGINEER'S REPORT

McDANIEL CONSULTANTS LTD.
Oil and Gas Reservoir Evaluations
608 Seventh Street S.W.
Calgary, Alberta

June 15, 1963

NUMAC OIL & GAS LTD.
11055 - 107th Street,
Edmonton, Alberta.

Gentlemen:

Pursuant to your request we have reviewed the indicated acreage interests of Numac Oil & Gas Ltd., (hereinafter referred to as the "Company"). We have also made certain recommendations for the exploration and development of these acreage interests.

Acreage Interests

In view of the limited amount of data available on wells adjacent to certain of the Company's acreage interests and because of the unproven nature of other portions of these acreage interests, it was not deemed realistic to assign proven reserves to any of the parcels in question as of the dating of this report.

The various Company's interest properties which are all located in Western Canada were indicated to be as follows:

		INDICATED GROSS AREA	INDICATED COMPANY NET WORKING INTEREST	
AREA	TYPE OF INTEREST	ACRES	%	ACRES
Saskatchewan				
Hastings	Lease (1)	1,440	50	720
Alberta				
Clairmont	Reservation	11,520	100	11,520
Edson	Drilling Reservation	7,680(2)	20	7,680
Grande Prairie	Lease	12,479	100	12,479
Hamilton Lake	Permit	16,160	33⅓	5,387
Lac La Biche	Reservation	166,080	50	83,040
Pembina	Lease	960	100	960
Red Earth Creek East ...	Drilling Reservation	6,400(3)	100	6,400
Red Earth Creek West ...	Drilling Reservation	5,920(3)	100	5,920
Swan Hills East	Lease	320	50	160
Swan Hills North	Lease	1,280(4)	100	1,280
Total				135,546

- (1) Subject to a 10 percent gross overriding royalty and certain seismic commitments.
- (2) Only 11 quarter sections may be converted to lease.
- (3) Only 9 quarter sections may be converted to lease.
- (4) Overriding royalty ranging from 5 to 15 percent may revert to 50 percent working interest after first well.

The normal Crown royalties for the Province of Alberta are reported to be applicable to the respective properties in question.

The Company's interest acreage in the Hastings area of southeastern Saskatchewan would presently be classified as unproven. The principal oil prospects of these interests of the Company would appear to be in the Mission Canyon formation.

The acreage interests of the Company in the Clairmont and Grande Prairie areas of Alberta would appear to have prospects for oil and gas accumulations in several horizons, but would presently be considered unproven. It is believed that the Company's interest acreage in the Edson area has prospects in a number of zones and would be particularly favorable for finding natural gas in horizons of Mississippian Age and crude oil in the Cardium zone. Although the Company's interest properties in the Hamilton Lake and Lac La Biche areas would be considered to be in a wildcat category, it is believed that these areas are favorably situated for finding natural gas in relatively shallow horizons. The principal objective of the Company's drilling reservation interests in the Red Earth Creek area would be the Granite Wash zone which has been found productive at several locations in that general area.

The parcels in the Pembina field in which the Company was indicated to have an interest would appear to be located in an area of reduced pay zone and permeability development between two relatively prolific producing sectors of this field. Only a thin producing section would be anticipated along the edges of these producing areas. It is possible, however, that one or two wells may be drilled on the parcels in question which could recover sizeable volumes of reserves through draining of the more prolific adjacent areas.

The most prospective parcel in which the Company was indicated to have an interest is located in the Swan Hills East area. In view of the fact that well data on this area has not as yet been released, it was not possible to assess accurately the prospects of this parcel. It is understood, however, that several oil wells have been completed adjacent to this parcel, and therefore it might well be considered in a proven category. It is believed, however, that until more factual data has been obtained it would not be realistic to forecast definite volumes of crude oil reserves in this case.

The Company's interest properties in the Swan Hills North area are beyond the presently developed portion of this field. In view of the fact that no dry holes have been drilled between the parcels in question and the presently developed portion of the Swan Hills field, the prospects are still considered to be favorable for these Company's interest properties.

Although no crude oil or natural gas reserves were assigned to the Company's interest properties in question it was concluded that the prospects of finding reserves under these lands would be considered favorable on an overall basis.

The extent and character of ownership and all other factual data supplied by the Company were accepted as represented.

Recommendations

The following recommendations are submitted for the exploration and development of the Company's acreage interests referred to above.

HASTINGS — It is recommended that a detailed seismic survey be made over the leases in question. It is recommended that, should an area of interest be indicated by this survey, consideration be given to the drilling of a test well to the Mississippian formation. The Company's share of the cost of this exploration program is estimated at \$13,000.

CLAIRMONT — It is suggested that the Company conduct a gravity meter survey over this reservation. Further exploration on this reservation would be dependent on the results of this survey. The Company's share of the cost of this survey is estimated at \$5,000.

EDSON — It is recommended that a well be drilled to the Cardium horizon on this drilling reservation. The future development of these lands would depend on the results of this well. The Company's share of the cost of this drilling program is estimated at \$14,000.

GRANDE PRAIRIE — In view of the limited well control in this area, it is recommended that no exploration or development be considered until additional drilling has been undertaken by others in the general area in question. Although no direct exploration costs would be forecast in this case, it is to be pointed out that sizeable lease rentals will be required.

HAMILTON LAKE — It is recommended that at least one well be drilled in this area to test the Viking formation. The future development of this area would then be dependent on the results of this well. The Company's share of the cost of this drilling program is estimated at \$6,000.

LAC LA BICHE — It is suggested that a stratigraphic test be drilled on this reservation. It is also suggested that no further drilling be considered until the results of this test have been evaluated. The Company's share of the cost of this test is estimated at \$12,000.

PEMBINA — It is recommended that a Cardium zone well be drilled on Lsd. sec. 15 Twp. 50 Rge. 9, W5M of the leases in question. No further development of these leases is recommended until this test well has been completed and fully evaluated. The Company's share of the cost of this well is estimated at \$50,000.

RED EARTH CREEK EAST — It is recommended that at least one Pre-Cambrian test be drilled on the subject lands in order to evaluate potentialities in this area. The Company's share of the cost of such drilling is estimated at \$60,000.

RED EARTH CREEK WEST — It is recommended that at least one Pre-Cambrian test be drilled on the subject lands in order to evaluate potentialities of this area. The Company's share of the cost of such drilling is estimated at \$60,000.

SWAN HILLS EAST — It is recommended that a Swan Hills zone test be drilled on Lsd. 2, sec. 4, Twp. 68 Rge. 9, W5M on the subject lands in question. The future development of these lands would be dependent on the characteristics of the well. The Company's share of the costs of such a development well is estimated at \$60,000.

SWAN HILLS NORTH — It is recommended that a well be drilled to the Swan Hills zone on Lsd. 10, sec. 4, Twp. 69 Rge. 10, W5M on the subject lands in question. The further drilling of these lands would be dependent on the data obtained from this initial well. The Company's share of the costs of this test is estimated at \$55,000.

GENERAL — It is evident that the recommended exploration and development programs are limited to initial type investigations because of the recent nature of the acreage acquisitions in question, and the limited data available on the majority of these lands. It is believed, however, that should these recommendations be followed, further development and exploration will probably be required on these lands. It is also to be noted that the costs referred to in this report do not include any allowance for lease rentals, carrying charges or geological studies.

Respectfully submitted,

McDANIEL CONSULTANTS LTD.

"R. R. McDANIEL"

President.



CERTIFICATE OF QUALIFICATION

I, RODERICK ROGERS McDANIEL, Petroleum Engineer of 608-7th Street S.W., Calgary, Alberta, Canada, hereby certify:

1. That I am the President of McDaniel Consultants Ltd., which Company did prepare a report upon certain interests of Numac Oil & Gas Ltd. during the month of May 1963. That I as such President supervised the preparation of such report.
2. That McDaniel Consultants Ltd., or its officers have no direct or indirect interest, nor do they expect to receive any direct or indirect interest in the properties or in any securities of Numac Oil & Gas Ltd.
3. That I attended the University of Alberta in the years 1944 and 1945 and the University of Oklahoma in the years 1945 to 1947, and that I graduated with a Bachelor of Science degree in Petroleum Engineering from the University of Oklahoma; that I am a member of the Canadian Institute of Mining and Metallurgy; that I am a registered Professional Engineer in the Provinces of Alberta and Saskatchewan and that I have in excess of fourteen years' experience in oil and gas reservoir studies and evaluations of western Canadian fields.
4. That the aforementioned report is not based on a personal field examination of the properties in question, however, such an examination was not deemed necessary in view of the extent and accuracy of the information available on the areas in question, and that the basic well data employed in preparing the said report were obtained from data on file at the Oil and Gas Conservation Board of Alberta and our own files.

"R. R. McDaniel," P. Eng.
Alberta and Saskatchewan

Calgary, Alberta
June 15, 1963.

INTERIM REPORT

NUMAC OIL & GAS LTD.

TO THE SHAREHOLDERS:

This Interim Report is the first opportunity that I have had to contact the shareholders of Numac Oil & Gas Ltd. On behalf of the Board of Directors, I would like to welcome you as a shareholder and tell you of some of the Company's activities since public distribution of the shares in June of this year.

During the period, your Company has acquired additional lands and has participated in both exploration and development drilling. In brief, lands have been acquired at Red Earth, in north eastern British Columbia and the Athabasca Oil Sands. Exploratory drilling has or is being conducted at Edson, in the Hastings area of south eastern Saskatchewan and at Swan Hills North. Production has been obtained at Pembina, Swan Hills and in North-eastern B.C. At the same time, developments in the oil and gas industry have enhanced the values of our Red Earth, Grande Prairie and Clairmont lands.

A detailed description of these activities and developments follow:

- Our first drilling venture was an oil well in the Pembina field in which we hold a 100% interest. This well is producing at its full allowable rate.
- We participated to the extent of 20% in a well drilled on the Edson acreage west of Edmonton. A non-commercial show of oil was encountered and the well was abandoned without running casing. This well validated the drilling reservation and entitled our group to select 11 quarter sections of leases.
- A 50% interest was held in a now abandoned well drilled on the acreage in southeastern Saskatchewan.
- A 50% interest is held in an oil well completed at Swan Hills East. It is a good producer and is on acreage described in the prospectus issued in connection with the public offering of Numac shares.
- A 5% interest was purchased in a 49,969 acre Bituminous Sands Lease block in the Athabasca Oil Sands. The rentals and work on this block are presently being carried and paid for by the Canada-Cities Service Petroleum Corporation-Imperial Oil Limited-Richfield Oil Corporation group, which group has an option to earn an interest.
- A 4% carried interest was acquired in 95,624 lease acres in the Peejay, Beg and East Laprise areas of Northeastern British Columbia. To date 8 oil wells and 4 gas wells have been completed on the property while some of the remaining leases appear attractive for further development. The present wells are generating a gross of about \$850,000 per year. The operator is entitled to recover its drilling and operating costs before Numac commences to participate. The Peejay Field, in which the 8 oil wells are located, is being prepared for secondary recovery and engineering studies indicate that the amount of oil which will be recovered could be more than tripled. Numac has the right to convert its carried interest to a 4% participating interest by reimbursing its share of costs to date.
- Interest has picked up considerably in the areas shown in the prospectus as Grande Prairie and Clairmont. Pan American Petroleum Corporation recently paid the highest price that has been paid to date for a drilling reservation in Alberta, while a substantial price was also paid by Shell Canada Limited for a nearby property. Pan American's cost was \$3,252,000 for 12,000 acres which may be converted to 2,560 acres of leases (\$1,270 per lease acre), while Shell paid \$1,100,003 for 10,880 acres convertible to 2,560 acres of leases (the equivalent of \$430 per lease acre). Numac's 11,520 acre Clairmont reservation is located about 23 miles northeast of the Pan American Drilling reservation, while the 12,479 Grande Prairie lease acres are about 15 miles northwest of the Shell reservation. These developments have stimulated interest in both areas in which Numac has interests. Pan American and Shell appear to be searching for a D3 reef build-up and the former has announced a location on its reservation.
- Recently we commenced drilling on the acreage block at Swan Hills North. This is being drilled as a "tight-hole" and news will not be released until after a land sale in mid-October. Numac will earn 8 quarter sections surrounding the drillsite.
- In addition to the Red Earth acreage shown in the prospectus, Numac purchased 3 sections at a Crown Reserve Lease Sale and has acquired a farmout of a 6,400 acre drilling reservation. As such, Numac now owns or controls 20,640 acres in the Red Earth area, some of which is classed as semi-proven. After the the drilling reservations have been converted to lease, Numac will hold a net 39 quarter sections.
- We are pleased to announce the completion of an Agreement with Uno-Tex Petroleum Corporation whereby that firm will drill 4 Granite Wash test wells on Numac's Red Earth spread. It will earn an undivided 50% interest in the entire acreage by drilling the wells free to Numac. In addition to the four well commitment, Uno-Tex will reimburse Numac for the major portion of its total land acquisition costs to date. Uno-Tex is presently moving a rig into the area and it is expected that drilling operations will be under way within a matter of days. That company's present plans are to drill the 4 commitment wells consecutively.
- Recent announcements by Peace River Oil Pipe Line Co. Ltd. have indicated that an 8 1/2" crude oil pipe line, with initial capacity of 12,000 barrels per day, will be completed from Snipe Lake to Red Earth this December. Accordingly, the pipe line should commence delivering oil before the year-end. It is likely that a joint development program will be carried out by the Numac-Uno-Tex team when the test wells to be drilled by Uno-Tex are completed. Important additions to your Company's reserves and production income should be the result.

On behalf of the Board of Directors

W. S. MCGREGOR

President

September 30, 1963

